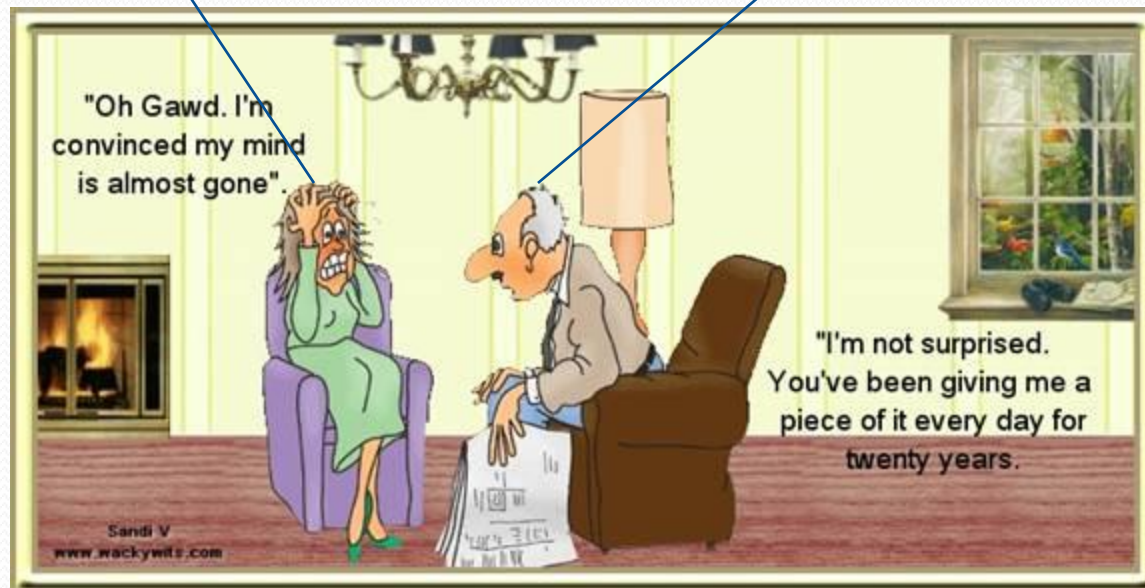


Relationships!!!!

- Nursing Care Industry

State Agency



Health Facilities Planning Act

- Facilities Subject to the Act
- Projects Requiring CON
- Planning - 77 IAC 1100
- Need Requirements - 77 IAC 1110
 - Long term care facilities
 - Continuum of care facilities
 - Defined population facilities
 - Specialized Long term care facilities
 - Modernization
- Financial Requirements - 77 IAC 1120
- Application Process
- State Agency Reports

Facilities Subject to the Act

SUBJECT TO THE ACT

- Skilled and intermediate care nursing facilities as defined by the Nursing Home Act (210 ILCS 45/)
- Intermediate Care Facilities for the Developmentally Disabled (ICF/DD) Adult & Children

NOT SUBJECT TO THE ACT

- Sheltered Care (20 ILCS 2305/2)
- Assisted Living(210 ILCS 9/1)
- Supportive Living(305 ILCS 5/)

Projects Requiring CON

- Establish or replace a long term care /ICF-DD facility
- Modernization Project in excess of \$6,503,250 million
- Addition of beds in excess of 20 beds or 10% of the total authorized beds of the LTC facility or ICF/DD facility

Projects Not Requiring CON

- **Discontinuation** of a nursing care facility or ICF/DD facility
- **Change of ownership** of a nursing care facility or ICF/DD
- **Projects below** the capital expenditure minimum of \$6,503,250
- **Addition of beds** less than 10% of total authorized capacity or 20 beds whichever is less
- **Exception**
 - County Nursing Homes
 - Illinois Veterans Homes
 - State Facilities

Long term care - 2009

- **1,073 free** standing nursing care facilities
 - 46 Hospital Based Units
 - 742 nursing care facilities
 - 290 DD facilities
 - 87 multi licensed facilities /sheltered/nursing care
- Approximately **113,500 licensed** beds
 - Nursing Care Beds 102,600 beds - 77.8%
 - Skilled Care Under 22 909 beds - 88.2%
 - Intermediate DD 6,319 beds - 91.4%
 - Sheltered Care 3,682 beds - 59.0%
- **Payor Mix of all long term care facilities**
 - Medicare 16.7%
 - Medicaid 58.4%
 - Other 1%
 - Private Insurance 1.8%
 - Private Pay 21.7%

LTC Capital Expenditures-2009

- Total Capital expenditures – \$211,116,976
- Average - \$198,000
- Approximately 51 percent of the capital expenditures (about \$108 million) were incurred by 34 facilities that each reported total capital expenditures for 2009 in excess of \$1 million.

Capital Expenditures:	More than \$1 Million	\$1 Million to \$292,000	Less than \$292,000	No. Expenditures Reported
No. of LTCs	34	111	628	296
Total Expenditures	\$107,518,839	\$54,141,382	\$49,456,756	\$0
% of LTC Expenditures	50.9%	25.7%	23.4%	0%

PLANNING



Planning 77 IAC 1100

- Difference between licensure and authorized beds
- State divided into 11 Health Service Areas (HSA)
- Subdivided into 95 health planning areas (HPA) located within the 11 HSA
- Population divided into 3 Age Groups 0-64, 65-74, 75 and above
- Target capacity 90% long term care
- Bed capacity of a long term care facility is the licensed bed capacity

HSA 1 Counties

Boone, Carroll, DeKalb, Jo Daviess, Lee, Ogle, Stephenson, Whiteside, Winnebago

HSA 2 Counties

Bureau, Fulton, Henderson, Knox, LaSalle, Marshall, McDonough, Peoria, Putnam, Stark, Tazewell, Warren, Woodford

HSA 3 Counties

Adams, Brown, Calhoun, Cass, Christian, Greene, Hancock, Jersey, Logan, Macoupin, Mason, Menard, Montgomery, Morgan, Pike, Sangamon, Schuyler, Scott

HSA 4 Counties

Champaign, Clark, Coles, Cumberland, DeWitt, Douglas, Edgar, Ford, Iroquois, Livingston, Macon, McLean, Moultrie, Piatt, Shelby, Vermilion

HSA 5 Counties

Alexander, Bond, Clay, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Lawrence, Marion, Massac, Perry, Pope, Pulaski, Randolph, Richland, Saline, Union, Wabash, Washington, Wayne, White, Williamson

HSA 6

City of Chicago

HSA 7 Counties

Cook (excluding Chicago), DuPage

HSA 8 Counties

Kane, Lake, McHenry

HSA 9 Counties

Grundey, Kankakee, Kendall, Will

HSA 10 Counties

Henry, Mercer, Rock Island

HSA 11 Counties

Clinton, Madison, Monroe, St. Clair



Planning LTC Beds

- 20 ILCS 3960/12.3
 - Bed Need revised every 2 years
- Inputs
 - Determine Base Year Population Estimate HSA & HPA
 - Determine Projected Population for HPA
 - Calculate Base Use Rates for HSA
 - Calculate Base Use Rates for HPA
 - Determine Min. and Max. Use Rate for HSA & HPA

Sangamon County LTC Bed Need

HSA 3 Calculated Bed Need

		Age	Patient Days (2005)	Est. Population (2005)	Use Rate	Min (60%)	Max (160%)			
		0-64	204,799	489,900	418.0	250.8	668.9			
		65-74	228,957	42,900	5,337.0	3,202.2	8,539.2			
		75+	1,774,696	47,300	37,520.0	22,512.0	60,032.0			

Sangamon County Planning Area Calculated Bed Need

Age	Patient Days (2005)	Est. Population (2005)	Use Rate	Min (60%)	Max (160%)	2015 Planned Use Rate	Projected Population (2015)	Planned Patient Days	Planned ADC	Planned Bed Need
0-64	41,961	166,200	252.5	250.8	668.9	252.5	168,400	42,521		
65-74	45,363	12,900	3,516.5	3,202.2	8,539.2	3,516.5	18,800	66,110		
75+	305,445	13,100	23,316.4	22,512.0	60,032.0	23,316.4	15,000	349,746		
								458,377	1,255.8	1,395

Specialized Long Term Care

- **Specialized Long-Term Care** means a classification consisting of categories of service which provides inpatient care primarily for children (ages 0 through 21) or inpatient care for adults who require specialized treatment and care because of mental or developmental disabilities.
 - **Chronic Mental Illness (M.I.) Category of Service.**
 - **Long-Term Care for the Developmentally Disabled (Adult) Category of Service.**
 - **Long-Term Care for the Developmentally Disabled (Children) Category of Service.**
 - **Long-Term Medical Care for Children Category of Service**
 - La Rabida Children's Hospital
 - Shriners' Hospital for Children - Chicago

Specialized Long Term Care

Planning Areas

- 1) Chronic MI - State of Illinois
- 2) DD-Children – 11 Health Service Areas
- 3) DD-Adult category of service

HSA I, HSA II, HSA III, HSA IV, HSA V, HSA X, HSA XI, and the combined HSA's VI, VII, VIII and IX.

Specialized Long Term Care

Bed Need

- 1) No formula bed need for the MI and DD-Children categories of service
- 2) Bed need for the DD-Adult category of service is calculated in two parts:
 - A) ICF/DD 16-bed or fewer, dividing the planning area's projected adult developmentally disabled population by 21.4 to determine the total number of beds needed for developmentally disabled adult residents in the planning area.
 - B) For facilities with more than 16 beds, no bed need formula has been established.

ICF/DD Facilities

Health Service Area 03				
	Beds	2005 Patient Days	2005 Admissions	
16 or less	423	135,570	21	
16 or more	428	127,476	14	
Projected DD Population	Mental Health Rate Factor	Beds Needed	Beds Existing	Excess Beds
4,883	21.4	228	423	195



Need - 77 IAC 1110 - LTC

We asked six questions:

1. Is there a **need** for beds in the planning area as determined by the bed need formula?
2. Will the # beds provide **service** to the Planning Area Residents?
3. Is there a **service demand** for the long term care beds in the Planning area?
4. Will the beds **improve** access in the planning area?
5. Will the beds result in a **Duplication** of Service or a **Mal-distribution** of Service?
6. Will the beds have a **negative impact** on other service providers?

Need continued- LTC

- **Documentation of service to planning area residents**
 - 50 % of the projected patient volume must come from within the planning area
 - Market Study from a reputable source
 - Claritas Data – demographics and census data
 - Identify by zip code individuals that may use the proposed facility

Need Continued-LTC

- **Documentation of demand**
 - **Referral letters** from hospitals that attest to referrals to existing facilities within the past 12 months by zip code
 - **Estimated number** of patients the hospital will refer annually to the facility within the next 24 months
 - Notarized signature of CEO of hospital
 - Attestation that referrals have not been used for other projects.

Need Continued – LTC

- **Documentation of Access Limitations**

- Is there an absence of beds in the area?
- Is there access limitations due payor status?
- Is there restrictive admission policies at facilities in the planning area?
- Are there medical care problems in the planning area?
- Do all services meet or exceed the 90% target occupancy within 45 minutes of the proposed facility?

Need Continued-LTC

- **Documentation of Unnecessary Duplication or Maldistribution of Services**
 - List of facilities within 30 minutes and utilization
 - Ratio of beds to population that is 1.5x the State Average
 - Attest that the applicant will not lower utilization of other area providers 24 months after project completion

Additional Criteria - LTC

- Staffing
 - Document that licensing and JCAHO staffing requirements can be met.
- Facility Size
 - Cannot exceed 250 beds
- Community Related Functions
 - Documentation of endorsements from community organizations
- Zoning
 - Documentation of evidence of zoning
- Assurances
 - By second year of operation after project completion that the facility will be at 90%

Continuum of Care Facilities

- Continuum of Care Facility
 - Same site as the health facility component of the project.
 - Serve only the residents of the housing complex
 - Proposed number of beds are needed
 - LTC beds shall not exceed 1 bed for every five apartments
 - Admission to long term care unit limited to residents of the apartments or independent living units
 - Operational Policy resident not lose apartment if transferred to LTC Unit

Defined Population Facility

- Defined Population

- either religious, fraternal or ethnic group
 - A) Description of
 - B) Define the boundaries of the GSA
 - C) # of individuals in the defined population in GSA
 - D) Services do not exist in the GSA
 - E) Services cannot be instituted at existing facilities in GSA
 - F) 85% of the residents of the facility the defined population
 - G) directly owned, sponsored or affiliated

Need ICF/DD facilities

- Facility cannot be greater than 100 beds
- Community Related Functions
- Availability of Ancillary and Support Programs
- Recommendations from Illinois DHS & HFS
 - Contact with DHS and HFS
 - Determine consistency with long term goals
 - 60 day prior to the submission of application

Need ICF/DD facilities

- **Establishment of Beds – ICF/DD Facilities**

- Any proposed project to establish a facility of 16 beds or fewer must be located in a planning area where a need for additional beds is calculated using the formula shown in 77 Ill. Adm. Code 1100.670, unless the applicant can document compliance with the requirements for a variance to the computed bed need in subsection (i) of this Section.

- **Variance to bed need**

- Applicant must document
 1. Each resident
 - Currently resides in a DHS operated facility or
 - Has resided in a DHS operated facility in the planning area for at least 2 years and consent has been granted
 2. All existing facilities are at 93% occupancy or the rate such facilities have refused to accept residents from DHS facilities
 3. Proposed relocation will be a cost saving
 4. Facility will accept future referrals from DHS operated facilities
 5. How the proposed facility complies with DHS long range development plans

Modernization-LTC

Must exceed the capital expenditure minimum

Must document the following

1. High cost of maintenance;
2. Non-compliance with licensing or life safety codes;
3. Changes in standards of care (e.g., private versus multiple bed rooms);
4. Additional space for diagnostic or therapeutic purposes.

Examples of documentation

1. IDPH CMMS inspection reports
2. JCAHO reports
3. Copies of maintenance reports
4. Copies of citations for life safety code violations

Must meet the occupancy standard of 90%

Financial

- Availability of Funds
 - Do the applicants have sufficient funds to fund the project?
- Financial Viability
 - Are the applicants financially viable?
- Economic Feasibility
 - Reasonableness of Debt Financing
 - Terms of Debt Financing
 - Reasonableness of Project Costs
 - Direct Operating Costs per EPD
 - Effect of Project on Capital Costs per EPD

Application Process

- Submittal of application
- 10 day completeness review
- Opportunity for a Public Hearing
- 60-120 Day Review Period
- 20 days before Board Meeting -comment period ends
- 14 days before Board Meeting State Agency Reports (SAR) published
- Comment period reopens limited to comments on SAR
- 10 days before Board Meeting – comment period closes

State Agency Report

- Provide the Board with an analysis of all material submitted
 - Purpose of the project
 - Background of applicant
 - Alternatives considered
 - Size of the Project
 - Is there a need for the service proposed?
 1. Is there a calculated need for beds in the planning area?
 2. Will the # beds provide service to the Planning Area Residents?
 3. Is there a service demand for the long term care beds in the Planning area?
 4. Will the beds improve access in the planning area?
 5. Will the beds result in a Duplication of Service or a Mal-distribution of Service?
 6. Will the beds have a negative impact on other service providers?
 - Are funds available for the project?
 - Is the applicant financially viable?
 - Is the project economically feasible?
 - Does the project meet the GSF and cost standards?
 - | | |
|------------------|--------------------|
| <u>Chicago</u> | <u>Springfield</u> |
| \$90,500 per bed | \$78,500 per bed |
| \$200 GSF | \$173 GSF |

Any Questions?

